

205058



ORIGINAL

Department of Transportation

J. TOM COLEMAN, JR.
COMMISSIONER
(404) 656-5206

FRANK L. DANCHETZ
CHIEF ENGINEER
(404) 656-5277

State of Georgia

#2 Capitol Square, S.W.

Atlanta, Georgia 30334-1002

HAROLD E. LINNENKOHL
DEPUTY COMMISSIONER
(404) 656-5212

BILLY F. SHARP
TREASURER
(404) 656-5224

March 25, 2002



BY HAND DELIVERY

The Honorable Vernon Williams
Surface Transportation Board
1925 K Street, N.W., Suite 700
Washington, DC 20423-0001

Re: STB Finance Docket No. 34057, State of Georgia, Department of Transportation -- Acquisition Exemption -- South Carolina Central Railroad, Inc.

Dear Secretary Williams:

On December 21, 2001, the State of Georgia, Department of Transportation ("GDOT"), filed a Notice of Exemption, pursuant to 49 C.F.R. Part 1150, Subpart D - Exempt Transactions, with the Surface Transportation Board ("Board"). GDOT simultaneously filed a Motion to Dismiss the Notice of Exemption.

Attached to the Motion to Dismiss, as Exhibit B, are copies of 11 draft Quitclaim Deeds. These were early drafts that simply identified the physical assets GDOT was acquiring from South Carolina Central Railroad, Inc. ("SCCR"), and did not contain the easement reservation whereby SCCR was retaining the exclusive, perpetual railroad freight easement over the length of rail lines being acquired by GDOT. Attached to this letter are 10 copies of the revised Deeds that will be recorded by GDOT and contain the easement reservation. GDOT respectfully requests the Board to substitute the attached Deeds for those contained in Exhibit B to the Motion to Dismiss.

As explained in the Motion to Dismiss, Georgia Southwestern Railroad, Inc. ("GSWR") will continue to be the operator of the rail lines once the sale of the assets to GDOT is completed. At the time the Motion to Dismiss was filed with the Board, the preliminary thought was that GDOT would simply assume the Lease Agreement between GSWR and SCCR. GDOT subsequently decided to enter into a new Lease Agreement with GSWR effective on the date GDOT acquires the assets from SCCR. Consequently, GDOT is attaching for the Board's consideration 10 copies of the Lease Agreement between GDOT and GSWR.

Sincerely,

Hal Wilson *KN*

Hal Wilson, Administrator
Office of Intermodal Programs

ENTERED
Office of the Secretary

MAR 27 2002

Part of
Public Record

KM:HW

Attachments

Cross Reference to: Deed Book _____, Folio _____
Calhoun County, Georgia records

**AFTER RECORDING,
RETURN TO:**

**Mr. Glen Kendrick
Georgia Dept. of
Transportation
No. 2 Capitol Square
Atlanta, GA 30334**

QUITCLAIM DEED

THIS QUITCLAIM DEED, made this _____ day of March, 2002 between SOUTH CAROLINA CENTRAL RAILROAD COMPANY, INC., a South Carolina corporation, whose mailing address for the purpose of this document is 4040 Broadway, Suite 200, San Antonio, Texas 78209, hereinafter called "Grantor", and GEORGIA DEPARTMENT OF TRANSPORTATION, an agency of the State of Georgia, hereinafter called "Grantee";

(Wherever used herein, the terms "Grantor" and "Grantee" may be construed in the singular or plural as the context may require or admit, and for purposes of exceptions, reservations and/or covenants, shall include the successors and assigns of corporations).

Grantor, for and in consideration of the sum of TEN DOLLARS AND NO/100 U.S. DOLLARS (\$10.00), and other valuable consideration, the receipt of which is hereby acknowledged, does hereby RELEASE, REMISE and forever QUITCLAIM to Grantee all of its right, title and interest in and to:

(A) All of that 13.93 mile right-of-way and real property situated, lying and being in and between the Calhoun/Randolph County Line (Rail Mile Post SLC 143.74, Valuation Station 7541+75) and the Calhoun/Early County Line (Rail Mile Post SLC 130.15, Valuation Station 6806+00); and

(B) That portion of Grantor's right-of-way and real property constituting Grantor's Connection Track with the Norfolk Southern situated in Calhoun County, Georgia,

hereinafter designated "the Premises"; all in Calhoun County, Georgia, and all as shown generally in yellow on Railroad Valuation Section Maps V8GA/L-1, Sheets 15 through 18, inclusive, which maps are attached hereto and made a part hereof as Exhibits "A-1", "A-2", "A-3" and "A-4";

Being the same right of way and real property conveyed to Grantor by Quitclaim Deed dated July 1, 1995 from RailTex, Inc., which deed was filed in the Public Records of Calhoun County, Georgia on September 5, 1995, in Deed Book 80, Folio 19;

SUBJECT TO certain easement rights conveyed by Grantor to Qwest Communications Corporation by Master Rail Corridor Easement Agreement dated November 25, 1997 as evidenced in the Public Records of Calhoun County, Georgia by Memorandum of Easement dated July 9, 2001 and recorded on August 3, 2001 in Deed Book 117, Folio 271.

TOGETHER WITH all buildings, structures and improvements thereon, including any and all ballast, tracks, rails, ties, switches, crossings, bridges, trestles, culverts, signals, crossing protection devices, radio antennae, communication lines, poles and loading platforms affixed as of the date of this deed to the Premises, and all and singular the rights, alleys, ways, waters, privileges, hereditaments and appurtenances to said Premises belonging or in any way incident or appertaining, including rights to cross any streets adjacent to or connecting parcels herein conveyed (the "Appurtenances").

EXCEPTING AND RESERVING unto Grantor an exclusive, perpetual, assignable railroad freight easement over and across the Premises for the purpose of providing common carrier rail freight service to all freight customers requiring service over the length of the Premises.

GRANTOR'S RIGHTS IN AND TO THE PREMISES AND THE APPURTENANCES ARE CONVEYED HEREIN TO GRANTEE ON AN "AS IS, WHERE IS" BASIS WITHOUT ANY WARRANTIES OR REPRESENTATIONS OF ANY KIND OR NATURE WHATSOEVER, EXPRESS OR IMPLIED, CONCERNING THE CONDITION OF THE PREMISES AND THE APPURTENANCES. GRANTEE HEREBY SPECIFICALLY WAIVES ANY IMPLIED WARRANTIES (IF ANY) PROVIDED FOR BY LAW, INCLUDING, WITHOUT LIMITATION, ANY AND ALL WARRANTIES AGAINST VICES OR DEFECTS OR WARRANTIES REGARDING FITNESS FOR ANY PARTICULAR USE OR PURPOSE WHATSOEVER.

TO HAVE AND TO HOLD the Premises, and all the estate, right, title, lien, interest and claim whatsoever of Grantor therein, so that neither the Grantor nor its successors or assigns nor any other persons claiming under Grantor shall at any time claim or demand any right, title or interest to said Premises or Appurtenances.

IN WITNESS WHEREOF, Grantor, pursuant to due corporate authority, has caused its name to be signed hereto by its officers hereunto duly authorized and its corporate seal, duly attested, to be hereunto affixed.

SIGNED, SEALED and DELIVERED
in the presence of:

**SOUTH CAROLINA CENTRAL RAILROAD
COMPANY, INC.**

Unofficial Witness

By: _____
Walter S. Zorkers
Senior Vice President

Unofficial Witness

ATTEST:

(S E A L)
By: _____
Donald D. Redfearn
Secretary

(corporate seal)

STATE OF FLORIDA)
) SS.
COUNTY OF PALM BEACH)

I, _____, a Notary Public of the State of Florida and the County of Palm Beach, do certify that on the date below before me in said County personally appeared Walter S. Zorkers, to me known and known to me to be the person whose name is subscribed to the above instrument, who, being by me first duly sworn, did depose, acknowledge and say that: He resides in Palm Beach County, Florida; he is Senior Vice President of the Corporation described herein and which executed said instrument; he is fully informed of the contents of the instrument; he knows the seal of said Corporation; the seal affixed to said instrument is such seal; it was so affixed by authority of the Board of Directors of said Corporation; he signed his name thereto for said Corporation pursuant to such authority; and instrument is the free act and deed of said Corporation; and the conveyance herein is not part of a transaction, sale, lease, exchange or other transfer or conveyance of all or substantially all of the property and/or assets of the Grantor.

IN WITNESS WHEREOF, I hereunto set my hand and official seal, this ____ day of March, 2002.

(S E A L)

Notary Public, State of Florida

Cross Reference to: Deed Book ____, Page ____
Chattahoochee County, Georgia records

AFTER RECORDING,
RETURN TO:

Mr. Glen Kendrick
Georgia Dept. of
Transportation
No. 2 Capitol Square
Atlanta, GA 30334

QUITCLAIM DEED

THIS QUITCLAIM DEED, made this ____ day of March, 2002, between SOUTH CAROLINA CENTRAL RAILROAD COMPANY, INC., a South Carolina corporation, whose mailing address for the purpose of this document is 4040 Broadway, Suite 200, San Antonio, Texas 78209, hereinafter called "Grantor", and GEORGIA DEPARTMENT OF TRANSPORTATION, an agency of the State of Georgia, hereinafter called "Grantee";

(Wherever used herein, the terms "Grantor" and "Grantee" may be construed in the singular or plural as the context may require or admit, and for purposes of exceptions, reservations and/or covenants, shall include the successors and assigns of corporations).

Grantor, for and in consideration of the sum of TEN DOLLARS AND NO/100 U.S. DOLLARS (\$10.00), and other valuable consideration, the receipt of which is hereby acknowledged, does hereby RELEASE, REMISE and forever QUITCLAIM to Grantee all of its right, title and interest in and to:

All of that 15.19 mile right-of-way and real property situated, lying and being in Chattahoochee County, Georgia, between a point southeast of Cusseta, Georgia (Rail Mile Post SLB 23.0, Valuation Station 1194+55.5) and the Chattahoochee/Muscogee County Line (Rail Mile Post SLB 7.81, Valuation Station 392+40) at or near Sand Hill, Georgia;

Hereinafter designated "the Premises"; all in Chattahoochee County, Georgia, and all as shown generally in yellow on Railroad Valuation Section Maps V2GA/L-17, Sheets 3 through 8, inclusive which maps are attached hereto and made a part hereof as Exhibits "A-1", "A-2", "A-3", "A-4", "A-5" and "A-6";

Being the same right of way and real property conveyed to Grantor by Quitclaim Deed dated July 1, 1995 from RailTex, Inc., which deed was filed in the Public Records of Chattahoochee County, Georgia on September 5, 1995, in Deed Book 2, Page(s) 549-556;

LESS AND EXCEPTING that property conveyed to CSX Transportation, Inc. by Quitclaim Deed dated November 27, 1995, which deed was filed in the Public Records of Chattahoochee County, Georgia on March 15, 1996 in Deed Book 3, Page 455.

TOGETHER WITH all buildings, structures and improvements thereon, including any and all ballast, tracks, rails, ties, switches, crossings, bridges, trestles, culverts, signals, crossing protection devices, radio antennae, communication lines, poles and loading platforms affixed as of the date of this deed to the Premises, and all and singular the rights, alleys, ways, waters, privileges, hereditaments and appurtenances to said Premises belonging or in any way incident or appertaining, including rights to cross any streets adjacent to or connecting parcels herein conveyed (the "Appurtenances").

EXCEPTING AND RESERVING unto Grantor an exclusive, perpetual, assignable railroad freight easement over and across the Premises for the purpose of providing common carrier rail freight service to all freight customers requiring service over the length of the Premises.

GRANTOR'S RIGHTS IN AND TO THE PREMISES AND THE APPURTENANCES ARE CONVEYED HEREIN TO GRANTEE ON AN "AS IS, WHERE IS" BASIS WITHOUT ANY WARRANTIES OR REPRESENTATIONS OF ANY KIND OR NATURE WHATSOEVER, EXPRESS OR IMPLIED, CONCERNING THE CONDITION OF THE PREMISES AND THE APPURTENANCES. GRANTEE HEREBY SPECIFICALLY WAIVES ANY IMPLIED WARRANTIES (IF ANY) PROVIDED FOR BY LAW, INCLUDING, WITHOUT LIMITATION, ANY AND ALL WARRANTIES AGAINST VICES OR DEFECTS OR WARRANTIES REGARDING FITNESS FOR ANY PARTICULAR USE OR PURPOSE WHATSOEVER.

TO HAVE AND TO HOLD the Premises, and all the estate, right, title, lien, interest and claim whatsoever of Grantor therein, so that neither the Grantor nor its successors or assigns nor any other persons claiming under Grantor shall at any time claim or demand any right, title or interest to said Premises or Appurtenances.

IN WITNESS WHEREOF, Grantor, pursuant to due corporate authority, has caused its name to be signed hereto by its officers hereunto duly authorized and its corporate seal, duly attested, to be hereunto affixed.

SIGNED, SEALED and DELIVERED
in the presence of:

**SOUTH CAROLINA CENTRAL RAILROAD
COMPANY, INC.**

Unofficial Witness

By: _____
Walter S. Zorkers
Senior Vice President

Unofficial Witness

ATTEST:

(S E A L)
By: _____
Donald D. Redfearn
Secretary

(corporate seal)

STATE OF FLORIDA)
) SS.
COUNTY OF PALM BEACH)

I, _____, a Notary Public of the State of Florida and the County of Palm Beach, do certify that on the date below before me in said County personally appeared Walter S. Zorkers, to me known and known to me to be the person whose name is subscribed to the above instrument, who, being by me first duly sworn, did depose, acknowledge and say that: He resides in Palm Beach County, Texas; he is Senior of the Corporation described herein and which executed said instrument; he is fully informed of the contents of the instrument; he knows the seal of said Corporation; the seal affixed to said instrument is such seal; it was so affixed by authority of the Board of Directors of said Corporation; he signed his name thereto for said Corporation pursuant to such authority; and instrument is the free act and deed of said Corporation; and the conveyance herein is not part of a transaction, sale, lease, exchange or other transfer or conveyance of all or substantially all of the property and/or assets of the Grantor.

IN WITNESS WHEREOF, I hereunto set my hand and official seal, this ____ day of March, 2002.

(S E A L)

Notary Public, State of Florida

Cross Reference to: Deed Book _____, Page _____
Decatur County, Georgia records

**AFTER RECORDING,
RETURN TO:**

**Mr. Glen Kendrick
Georgia Dept. of
Transportation
No. 2 Capitol Square
Atlanta, GA 30334**

QUITCLAIM DEED

THIS QUITCLAIM DEED, made this _____ day of March, 2002, between SOUTH CAROLINA CENTRAL RAILROAD COMPANY, INC., a South Carolina corporation, whose mailing address for the purpose of this document is 4040 Broadway, Suite 200, San Antonio, Texas 78209, hereinafter called "Grantor", and GEORGIA DEPARTMENT OF TRANSPORTATION, an agency of the State of Georgia, hereinafter called "Grantee";

(Wherever used herein, the terms "Grantor" and "Grantee" may be construed in the singular or plural as the context may require or admit, and for purposes of exceptions, reservations and/or covenants, shall include the successors and assigns of corporations).

Grantor, for and in consideration of the sum of TEN DOLLARS AND NO/100 U.S. DOLLARS (\$10.00), and other valuable consideration, the receipt of which is hereby acknowledged, does hereby RELEASE, REMISE and forever QUITCLAIM to Grantee all of its right, title and interest in and to:

All of that 10.92 mile right-of-way and real property situated, lying and being between the Decatur/Miller County Line (Rail Mile Post SLC 102.60, Valuation Station 5416 +40) and Bainbridge, Georgia (Rail Mile Post SLC 91.68, Valuation Station 4831+38);

hereinafter designated "the Premises"; all in Decatur County, Georgia, and all as shown generally in yellow on Railroad Valuation Section Maps V8GA/L-1, Sheets 6 through 8, inclusive; and Railroad Valuation Section Map V8GA/L-1a, Sheet 1, which maps are attached hereto and made a part hereof as Exhibits "A-1", "A-2", "A-3" and "A-4";

Being the same right of way and real property conveyed to Grantor by Quitclaim Deed dated July 1, 1995 from RailTex, Inc., which deed was filed in the Public Records of Decatur County, Georgia on September 5, 1995, in Deed Book U-18, Page(s) 528-535;

SUBJECT TO certain easement rights conveyed by Grantor to Qwest Communications Corporation by Master Rail Corridor Easement Agreement dated November 25, 1997 as evidenced in the Public Records of Decatur County, Georgia by Memorandum of Easement dated July 9, 2001 and recorded on August 3, 2001 in Deed Book U23, Pages 257-259.

TOGETHER WITH all buildings, structures and improvements thereon, including any and all ballast, tracks, rails, ties, switches, crossings, bridges, trestles, culverts, signals, crossing protection devices, radio antennae, communication lines, poles and loading platforms affixed as of the date of this deed to the Premises, and all and singular the rights, alleys, ways, waters, privileges, hereditaments and appurtenances to said Premises belonging or in any way incident or appertaining, including rights to cross any streets adjacent to or connecting parcels herein conveyed (the "Appurtenances").

EXCEPTING AND RESERVING unto Grantor an exclusive, perpetual, assignable railroad freight easement over and across the Premises for the purpose of providing common carrier rail freight service to all freight customers requiring service over the length of the Premises.

GRANTOR'S RIGHTS IN AND TO THE PREMISES AND THE APPURTENANCES ARE CONVEYED HEREIN TO GRANTEE ON AN "AS IS, WHERE IS" BASIS WITHOUT ANY WARRANTIES OR REPRESENTATIONS OF ANY KIND OR NATURE WHATSOEVER, EXPRESS OR IMPLIED, CONCERNING THE CONDITION OF THE PREMISES AND THE APPURTENANCES. GRANTEE HEREBY SPECIFICALLY WAIVES ANY IMPLIED WARRANTIES (IF ANY) PROVIDED FOR BY LAW, INCLUDING, WITHOUT LIMITATION, ANY AND ALL WARRANTIES AGAINST VICES OR DEFECTS OR WARRANTIES REGARDING FITNESS FOR ANY PARTICULAR USE OR PURPOSE WHATSOEVER.

TO HAVE AND TO HOLD the Premises, and all the estate, right, title, lien, interest and claim whatsoever of Grantor therein, so that neither the Grantor nor its successors or assigns nor any other persons claiming under Grantor shall at any time claim or demand any right, title or interest to said Premises or Appurtenances.

IN WITNESS WHEREOF, Grantor, pursuant to due corporate authority, has caused its name to be signed hereto by its officers hereunto duly authorized and its corporate seal, duly attested, to be hereunto affixed.

SIGNED, SEALED and DELIVERED
in the presence of:

**SOUTH CAROLINA CENTRAL RAILROAD
COMPANY, INC.**

Unofficial Witness

By: _____
Walter S. Zorkers
Senior Vice President

Unofficial Witness

ATTEST:

By: _____ (SEAL)

Donald D. Redfearn
Secretary

(corporate seal)

STATE OF FLORIDA)
)
COUNTY OF PALM BEACH) SS.

I, _____, a Notary Public of the State of Florida and the County of Palm Beach, do certify that on the date below before me in said County personally appeared Walter S. Zorkers, to me known and known to me to be the person whose name is subscribed to the above instrument, who, being by me first duly sworn, did depose, acknowledge and say that: He resides in Palm Beach County, Florida; he is Senior Vice President of the Corporation described herein and which executed said instrument; he is fully informed of the contents of the instrument; he knows the seal of said Corporation; the seal affixed to said instrument is such seal; it was so affixed by authority of the Board of Directors of said Corporation; he signed his name thereto for said Corporation pursuant to such authority; and instrument is the free act and deed of said Corporation; and the conveyance herein is not part of a transaction, sale, lease, exchange or other transfer or conveyance of all or substantially all of the property and/or assets of the Grantor.

IN WITNESS WHEREOF, I hereunto set my hand and official seal, this ____ day of March, 2002.

(SEAL)

Notary Public, State of Florida

Cross Reference to: Deed Book _____, Page _____
Dougherty County, Georgia records

**AFTER RECORDING,
RETURN TO:**

**Mr. Glen Kendrick
Georgia Dept. of
Transportation
No. 2 Capitol Square
Atlanta, GA 30334**

QUITCLAIM DEED

THIS QUITCLAIM DEED, made this _____ day of March 2002, between SOUTH CAROLINA CENTRAL RAILROAD COMPANY, INC., a South Carolina corporation, whose mailing address for the purpose of this document is 4040 Broadway, Suite 200, San Antonio, Texas 78209, hereinafter called "Grantor", and GEORGIA DEPARTMENT OF TRANSPORTATION, an agency of the State of Georgia, hereinafter called "Grantee";

(Wherever used herein, the terms "Grantor" and "Grantee" may be construed in the singular or plural as the context may require or admit, and for purposes of exceptions, reservations and/or covenants, shall include the successors and assigns of corporations).

Grantor, for and in consideration of the sum of TEN DOLLARS AND NO/100 U.S. DOLLARS (\$10.00), and other valuable consideration, the receipt of which is hereby acknowledged, does hereby RELEASE, REMISE and forever QUITCLAIM to Grantee all of its right, title and interest in and to:

All of that 1.10 of a mile right-of-way and real property situate, lying and being at Albany, Dougherty County, Georgia between the east line of the Norfolk Southern Railway main line right-of-way (Rail Mile Post SLB-86.60, Valuation Station 4552+65) and the north side of Tift Street (Rail Mile Post SLB-87.70, Valuation Station 4610+80); and

Hereinafter designated "the Premises"; all in Dougherty County, Georgia, and all as shown generally in yellow on Railroad Valuation Section Maps V2GA/L-17, Sheets 23 and S-23, which maps are attached hereto and made a part hereof as Exhibits "A-1" and "A-2";

Being the same right of way and real property conveyed to Grantor by Quitclaim Deed dated July 1, 1995 from RailTex, Inc., which deed was filed in the Public Records of Dougherty County, Georgia on August 18, 1995, in Deed Book 1514, Page 327.

LESS AND EXCEPTING that property conveyed by Grantor to Bruce Properties by Quitclaim Deed dated August 14, 1995, which deed was filed in the Public Records of Dougherty County, Georgia on August 17, 1995 in Deed Book 1514, Page 329, and

LESS AND EXCEPTING that property conveyed by Grantor to Bruce Properties by Quitclaim Deed dated July 11, 1996, which deed was filed in the Public Records of Dougherty County, Georgia on July 22, 1996 in Deed Book 1611, Page 86, and

LESS AND EXCEPTING that property conveyed by Grantor to Rails to Trails Conservancy by Quitclaim Deed dated October 14, 1997, which deed was filed in the Public Records of Dougherty County, Georgia on October 16, 1997 in Deed Book 1747, Pages 212-224.

TOGETHER WITH all buildings, structures and improvements thereon, including any and all ballast, tracks, rails, ties, switches, crossings, bridges, trestles, culverts, signals, crossing protection devices, radio antennae, communication lines, poles and loading platforms affixed as of the date of this deed to the Premises, and all and singular the rights, alleys, ways, waters, privileges, hereditaments and appurtenances to said Premises belonging or in any way incident or appertaining, including rights to cross any streets adjacent to or connecting parcels herein conveyed (the "Appurtenances").

EXCEPTING AND RESERVING unto Grantor an exclusive, perpetual, assignable railroad freight easement over and across the Premises for the purpose of providing common carrier rail freight service to all freight customers requiring service over the length of the Premises.

GRANTOR'S RIGHTS IN AND TO THE PREMISES AND THE APPURTENANCES ARE CONVEYED HEREIN TO GRANTEE ON AN "AS IS, WHERE IS" BASIS WITHOUT ANY WARRANTIES OR REPRESENTATIONS OF ANY KIND OR NATURE WHATSOEVER, EXPRESS OR IMPLIED, CONCERNING THE CONDITION OF THE PREMISES AND THE APPURTENANCES. GRANTEE HEREBY SPECIFICALLY WAIVES ANY IMPLIED WARRANTIES (IF ANY) PROVIDED FOR BY LAW, INCLUDING, WITHOUT LIMITATION, ANY AND ALL WARRANTIES AGAINST VICES OR DEFECTS OR WARRANTIES REGARDING FITNESS FOR ANY PARTICULAR USE OR PURPOSE WHATSOEVER.

TO HAVE AND TO HOLD the Premises, and all the estate, right, title, lien, interest and claim whatsoever of Grantor therein, so that neither the Grantor nor its successors or assigns nor any other persons claiming under Grantor shall at any time claim or demand any right, title or interest to said Premises or Appurtenances.

IN WITNESS WHEREOF, Grantor, pursuant to due corporate authority, has caused its name to be signed hereto by its officers hereunto duly authorized and its corporate seal, duly attested, to be hereunto affixed.

SIGNED, SEALED and DELIVERED
in the presence of:

**GEORGIA SOUTHWESTERN
RAILROAD COMPANY, INC.**

Unofficial Witness

By: _____
Walter S. Zorkers
Senior Vice President

Unofficial Witness

ATTEST:

By: _____ (SEAL)

Donald D. Redfearn
Secretary

(corporate seal)

STATE OF FLORIDA)
)
COUNTY OF PALM BEACH) SS.

I, _____, a Notary Public of the State of Florida and the County of Palm Beach, do certify that on the date below before me in said County personally appeared Walter S. Zorkers, to me known and known to me to be the person whose name is subscribed to the above instrument, who, being by me first duly sworn, did depose, acknowledge and say that: He resides in Palm Beach County, Florida; he is Senior Vice President of the Corporation described herein and which executed said instrument; he is fully informed of the contents of the instrument; he knows the seal of said Corporation; the seal affixed to said instrument is such seal; it was so affixed by authority of the Board of Directors of said Corporation; he signed his name thereto for said Corporation pursuant to such authority; and instrument is the free act and deed of said Corporation; and the conveyance herein is not part of a transaction, sale, lease, exchange or other transfer or conveyance of all or substantially all of the property and/or assets of the Grantor.

IN WITNESS WHEREOF, I hereunto set my hand and official seal, this ____ day of March, 2002

(SEAL)

Notary Public, State of Florida

Cross Reference to: Deed Book _____, Page _____
Early County, Georgia records

AFTER RECORDING,
RETURN TO:

Mr. Glen Kendrick
Georgia Dept. of
Transportation
No. 2 Capitol Square
Atlanta, GA 30334

QUITCLAIM DEED

THIS QUITCLAIM DEED, made this _____ day of March, 2002, between SOUTH CAROLINA CENTRAL RAILROAD COMPANY, INC., a South Carolina corporation, whose mailing address for the purpose of this document is 4040 Broadway, Suite 200, San Antonio, Texas 78209, hereinafter called "Grantor", and GEORGIA DEPARTMENT OF TRANSPORTATION, an agency of the State of Georgia, hereinafter called "Grantee";

(Wherever used herein, the terms "Grantor" and "Grantee" may be construed in the singular or plural as the context may require or admit, and for purposes of exceptions, reservations and/or covenants, shall include the successors and assigns of corporations).

Grantor, for and in consideration of the sum of TEN DOLLARS AND NO/100 U.S. DOLLARS (\$10.00), and other valuable consideration, the receipt of which is hereby acknowledged, does hereby RELEASE, REMISE and forever QUITCLAIM to Grantee all of its right, title and interest in and to:

(A) All of that 12.79 mile right-of-way and real property situated in Early County, Georgia, lying and being between the Early/Calhoun County Line (Rail Mile Post SLC 130.15, Valuation Station 6806+00) at Arlington, Georgia, and the Early/Miller County Line (Rail Mile Post SLC 116.12, Valuation Station 6130+65); plus

(B) that portion of Grantor's right-of-way and real property constituting Grantor's Connection Track with the Norfolk Southern Railway, situated also in Early County, Georgia;

hereinafter designated "the Premises"; all in Early County, Georgia, and all as shown generally in yellow on Railroad Valuation Section Maps V8GA/L-1, Sheets 12 through 15, inclusive, which maps are attached hereto and made a part hereof as Exhibits "A-1", "A-2", "A-3" and "A-4";

Being the same right of way and real property conveyed to Grantor by Quitclaim Deed dated July 1, 1995 from RailTex, Inc., which deed was filed in the Public Records of Early County, Georgia on August 11, 1995, in Deed Book 203, Page(s) 538-544;

LESS AND EXCEPTING that certain property conveyed by Grantor to Franklin Yancey, dba Franklin Yancey Hardwoods by Corrective Quitclaim Deed dated August 8, 1995, which deed was filed in the Public Records of Early County, Georgia on August 11, 1995, in Deed Book 203, Page 552.

SUBJECT TO certain easement rights conveyed by Grantor to Qwest Communications Corporation by Master Rail Corridor Easement Agreement dated November 25, 1997 as evidenced in the Public Records of Early County, Georgia by Memorandum of Easement dated July 9, 2001 and recorded on August 3, 2001 in Deed Book 239, Pages 227-229.

TOGETHER WITH all buildings, structures and improvements thereon, including any and all ballast, tracks, rails, ties, switches, crossings, bridges, trestles, culverts, signals, crossing protection devices, radio antennae, communication lines, poles and loading platforms affixed as of the date of this deed to the Premises, and all and singular the rights, alleys, ways, waters, privileges, hereditaments and appurtenances to said Premises belonging or in any way incident or appertaining, including rights to cross any streets adjacent to or connecting parcels herein conveyed (the "Appurtenances").

EXCEPTING AND RESERVING unto Grantor an exclusive, perpetual, assignable railroad freight easement over and across the Premises for the purpose of providing common carrier rail freight service to all freight customers requiring service over the length of the Premises.

GRANTOR'S RIGHTS IN AND TO THE PREMISES AND THE APPURTENANCES ARE CONVEYED HEREIN TO GRANTEE ON AN "AS IS, WHERE IS" BASIS WITHOUT ANY WARRANTIES OR REPRESENTATIONS OF ANY KIND OR NATURE WHATSOEVER, EXPRESS OR IMPLIED, CONCERNING THE CONDITION OF THE PREMISES AND THE APPURTENANCES. GRANTEE HEREBY SPECIFICALLY WAIVES ANY IMPLIED WARRANTIES (IF ANY) PROVIDED FOR BY LAW, INCLUDING, WITHOUT LIMITATION, ANY AND ALL WARRANTIES AGAINST VICES OR DEFECTS OR WARRANTIES REGARDING FITNESS FOR ANY PARTICULAR USE OR PURPOSE WHATSOEVER.

TO HAVE AND TO HOLD the Premises, and all the estate, right, title, lien, interest and claim whatsoever of Grantor therein, so that neither the Grantor nor its successors or assigns nor any other persons claiming under Grantor shall at any time claim or demand any right, title or interest to said Premises or Appurtenances.

IN WITNESS WHEREOF, Grantor, pursuant to due corporate authority, has caused its name to be signed hereto by its officers hereunto duly authorized and its corporate seal, duly attested, to be hereunto affixed.

SIGNED, SEALED and DELIVERED
in the presence of:

**SOUTH CAROLINA CENTRAL RAILROAD
COMPANY, INC.**

Unofficial Witness

By: _____
Walter S. Zorkers
Senior Vice President

Unofficial Witness

ATTEST:

(S E A L)

By: _____
Donald D. Redfearn
Secretary

(corporate seal)

STATE OF FLORIDA)
) SS.
COUNTY OF PALM BEACH)

I, _____, a Notary Public of the State of Florida and the County of Palm Beach, do certify that on the date below before me in said County personally appeared Walter S. Zorkers, to me known and known to me to be the person whose name is subscribed to the above instrument, who, being by me first duly sworn, did depose, acknowledge and say that: He resides in Palm Beach County, Florida; he is Senior Vice President of the Corporation described herein and which executed said instrument; he is fully informed of the contents of the instrument; he knows the seal of said Corporation; the seal affixed to said instrument is such seal; it was so affixed by authority of the Board of Directors of said Corporation; he signed his name thereto for said Corporation pursuant to such authority; and instrument is the free act and deed of said Corporation; and the conveyance herein is not part of a transaction, sale, lease, exchange or other transfer or conveyance of all or substantially all of the property and/or assets of the Grantor.

IN WITNESS WHEREOF, I hereunto set my hand and official seal, this ____ day of March, 2002.

(S E A L)

Notary Public, State of Florida

Cross Reference to: Deed Book _____, Page _____
Miller County, Georgia records

AFTER RECORDING,
RETURN TO:

Mr. Glen Kendrick
Georgia Dept. of
Transportation
No. 2 Capitol Square
Atlanta, GA 30334

QUITCLAIM DEED

THIS QUITCLAIM DEED, made this _____ day of March, 2002, between SOUTH CAROLINA CENTRAL RAILROAD COMPANY, INC., a South Carolina corporation, whose mailing address for the purpose of this document is 4040 Broadway, Suite 200, San Antonio, Texas 78209, hereinafter called "Grantor", and GEORGIA DEPARTMENT OF TRANSPORTATION, an agency of the State of Georgia, hereinafter called "Grantee";

(Wherever used herein, the terms "Grantor" and "Grantee" may be construed in the singular or plural as the context may require or admit, and for purposes of exceptions, reservations and/or covenants, shall include the successors and assigns of corporations).

Grantor, for and in consideration of the sum of TEN DOLLARS AND NO/100 U.S. DOLLARS (\$10.00), and other valuable consideration, the receipt of which is hereby acknowledged, does hereby RELEASE, REMISE and forever QUITCLAIM to Grantee all of its right, title and interest in and to:

All of that 13.53 mile right-of-way and real property situated, lying and being in Miller County, Georgia, between the Miller/Early County Line (Rail Mile Post SLC 116.12, Valuation Station 6130+65) and the Miller/Decatur County Line (Rail Mile Post SLC 102.60, Valuation Station 5416+40);

hereinafter designated "the Premises"; all in Miller County, Georgia, and all as shown generally in yellow on Railroad Valuation Section Maps V8GA/L-1, Sheets 8 through 12, inclusive, which maps are attached hereto and made a part hereof as Exhibits "A-1", "A-2", "A-3", "A-4" and "A-5";

Being the same right of way and real property conveyed to Grantor by Quitclaim Deed dated July 1, 1995 from RailTex, Inc., which deed was filed in the Public Records of Miller County, Georgia on September 5, 1995, in Deed Book 130, Page(s) 183-192.

SUBJECT TO certain easement rights conveyed by Grantor to Qwest Communications Corporation by Master Rail Corridor Easement Agreement dated November 25, 1997 as evidenced in the Public Records of Miller County, Georgia by Memorandum of Easement dated July 9, 2001 and recorded on August 3, 2001 in Deed Book 156, Pages 432-434.

TOGETHER WITH all buildings, structures and improvements thereon, including any and all ballast, tracks, rails, ties, switches, crossings, bridges, trestles, culverts, signals, crossing protection devices, radio antennae, communication lines, poles and loading platforms affixed as of the date of this deed to the Premises, and all and singular the rights, alleys, ways, waters, privileges, hereditaments and appurtenances to said Premises belonging or in any way incident or appertaining, including rights to cross any streets adjacent to or connecting parcels herein conveyed (the "Appurtenances").

EXCEPTING AND RESERVING unto Grantor an exclusive, perpetual, assignable railroad freight easement over and across the Premises for the purpose of providing common carrier rail freight service to all freight customers requiring service over the length of the Premises.

GRANTOR'S RIGHTS IN AND TO THE PREMISES AND THE APPURTENANCES ARE CONVEYED HEREIN TO GRANTEE ON AN "AS IS, WHERE IS" BASIS WITHOUT ANY WARRANTIES OR REPRESENTATIONS OF ANY KIND OR NATURE WHATSOEVER, EXPRESS OR IMPLIED, CONCERNING THE CONDITION OF THE PREMISES AND THE APPURTENANCES. GRANTEE HEREBY SPECIFICALLY WAIVES ANY IMPLIED WARRANTIES (IF ANY) PROVIDED FOR BY LAW, INCLUDING, WITHOUT LIMITATION, ANY AND ALL WARRANTIES AGAINST VICES OR DEFECTS OR WARRANTIES REGARDING FITNESS FOR ANY PARTICULAR USE OR PURPOSE WHATSOEVER.

TO HAVE AND TO HOLD the Premises, and all the estate, right, title, lien, interest and claim whatsoever of Grantor therein, so that neither the Grantor nor its successors or assigns nor any other persons claiming under Grantor shall at any time claim or demand any right, title or interest to said Premises or Appurtenances.

IN WITNESS WHEREOF, Grantor, pursuant to due corporate authority, has caused its name to be signed hereto by its officers hereunto duly authorized and its corporate seal, duly attested, to be hereunto affixed.

SIGNED, SEALED and DELIVERED
in the presence of:

**SOUTH CAROLINA CENTRAL RAILROAD
COMPANY, INC.**

Unofficial Witness

By: _____
Walter S. Zorkers
Senior Vice President

Unofficial Witness

ATTEST:

(SEAL)
By: _____
Donald D. Redfearn
Secretary

(corporate seal)

STATE OF FLORIDA)
)
COUNTY OF PALM BEACH) SS.

I, _____, a Notary Public of the State of Florida and the County of Palm Beach, do certify that on the date below before me in said County personally appeared Walter S. Zorkers, to me known and known to me to be the person whose name is subscribed to the above instrument, who, being by me first duly sworn, did depose, acknowledge and say that: He resides in Palm Beach County, Florida; he is Senior Vice President of the Corporation described herein and which executed said instrument; he is fully informed of the contents of the instrument; he knows the seal of said Corporation; the seal affixed to said instrument is such seal; it was so affixed by authority of the Board of Directors of said Corporation; he signed his name thereto for said Corporation pursuant to such authority; and instrument is the free act and deed of said Corporation; and the conveyance herein is not part of a transaction, sale, lease, exchange or other transfer or conveyance of all or substantially all of the property and/or assets of the Grantor.

IN WITNESS WHEREOF, I hereunto set my hand and official seal, this ____ day of March, 2002.

(SEAL)

Notary Public, State of Florida

Cross Reference to: Deed Book ____, Page ____
Muscogee County, Georgia records

**AFTER RECORDING,
RETURN TO:**

**Mr. Glen Kendrick
Georgia Dept. of
Transportation
No. 2 Capitol Square
Atlanta, GA 30334**

QUITCLAIM DEED

THIS QUITCLAIM DEED, made this ____ day of March, 2002, between SOUTH CAROLINA CENTRAL RAILROAD COMPANY, INC., a South Carolina corporation, whose mailing address for the purpose of this document is 4040 Broadway, Suite 200, San Antonio, Texas 78209, hereinafter called "Grantor", and GEORGIA DEPARTMENT OF TRANSPORTATION, an agency of the State of Georgia, hereinafter called "Grantee";

(Wherever used herein, the terms "Grantor" and "Grantee" may be construed in the singular or plural as the context may require or admit, and for purposes of exceptions, reservations and/or covenants, shall include the successors and assigns of corporations).

Grantor, for and in consideration of the sum of TEN DOLLARS AND NO/100 U.S. DOLLARS (\$10.00), and other valuable consideration, the receipt of which is hereby acknowledged, does hereby RELEASE, REMISE and forever QUITCLAIM to Grantee all of its right, title and interest in and to:

- (A) All of that 7.43 mile right-of-way and real property situated, lying and being between the Muscogee/Chattahoochee County Line (Rail Mile Post SLB 7.81, Valuation Station 392+40)

and Columbus, Georgia (Rail Mile Post SLB 0.38, Valuation Station 0+00), and

- (B) all of that 0.79 mile right-of-way and real property constituting the Georgia Ports Authority Lead Track between Rail Valuation Station 0+00 and Rail Valuation Station 41+61, and
- (C) all of that right-of-way and real property situated, lying and being between 7th Street (Rail Valuation Station 21+55) and a point 250 feet, more or less, south of 5th Street; and INCLUDING various rights-of-way and real property situated, lying and being east of Tenth Avenue within Columbus, Georgia

Being the same right of way and real property conveyed to Grantor by Quitclaim Deed dated July 1, 1995 from RailTex, Inc., which deed was filed in the Public Records of Muscogee County, Georgia on September 18, 1995, in Deed Book 4317, Page 182; and

- (D) all of that right of way and real property conveyed by Columbus, Georgia, a Consolidated City-County Government, to South Carolina Central Railroad, Inc. (predecessor in interest to Grantor) by Easement Agreement dated July 6, 1994 and recorded in Deed Book 4123, Pages 016 thru 019 of the Muscogee County Deed Records.

LESS AND EXCEPTING those portions of the right of way and real property listed above as Item (B) which were relinquished by Grantor under the terms and conditions of that certain Easement Agreement dated July 6, 1994 between Columbus, Georgia and South Carolina Central Railroad, Inc. (predecessor in interest to Grantor) and recorded in Deed Book 4123, Page 016 of the Muscogee County Deed Records.

Hereinafter designated "the Premises"; all in Muscogee County, Georgia, and all as shown generally in yellow on Railroad Valuation Section Maps V2-GA/L-17, Sheets 1 – 3, inclusive, and Sheet S-1c, and which maps are attached hereto and made a part hereof as Exhibits "A-1", "A-2", "A-3", and "A-4";

TOGETHER WITH all buildings, structures and improvements thereon, including any and all ballast, tracks, rails, ties, switches, crossings, bridges, trestles, culverts, signals, crossing protection devices, radio antennae, communication lines, poles and loading platforms affixed as of the date of this deed to the Premises, and all and singular the rights, alleys, ways, waters, privileges, hereditaments and appurtenances to said Premises belonging or in any way incident or appertaining, including rights to cross any streets adjacent to or connecting parcels herein conveyed (the "Appurtenances").

EXCEPTING AND RESERVING unto Grantor an exclusive, perpetual, assignable railroad freight easement over and across the Premises for the purpose of providing common carrier rail freight service to all freight customers requiring service over the length of the Premises.

GRANTOR'S RIGHTS IN AND TO THE PREMISES AND THE APPURTENANCES ARE CONVEYED HEREIN TO GRANTEE ON AN "AS IS, WHERE IS" BASIS WITHOUT ANY WARRANTIES OR REPRESENTATIONS OF ANY KIND OR NATURE WHATSOEVER, EXPRESS OR IMPLIED, CONCERNING THE CONDITION OF THE PREMISES AND THE APPURTENANCES. GRANTEE HEREBY SPECIFICALLY WAIVES ANY IMPLIED WARRANTIES (IF ANY) PROVIDED FOR BY LAW, INCLUDING, WITHOUT LIMITATION, ANY AND ALL WARRANTIES AGAINST VICES OR DEFECTS OR WARRANTIES REGARDING FITNESS FOR ANY PARTICULAR USE OR PURPOSE WHATSOEVER.

TO HAVE AND TO HOLD the Premises, and all the estate, right, title, lien, interest and claim whatsoever of Grantor therein, so that neither the Grantor nor its successors or assigns nor any other persons claiming under Grantor shall at any time claim or demand any right, title or interest to said Premises or Appurtenances.

IN WITNESS WHEREOF, Grantor, pursuant to due corporate authority, has caused its name to be signed hereto by its officers hereunto duly authorized and its corporate seal, duly attested, to be hereunto affixed.

SIGNED, SEALED and DELIVERED
in the presence of:

**SOUTH CAROLINA CENTRAL RAILROAD
COMPANY, INC.**

Unofficial Witness

By: _____
Walter S. Zorkers
Senior Vice President

Unofficial Witness

ATTEST:

(SEAL)
By: _____
Donald D. Redfearn
Secretary

(corporate seal)

STATE OF FLORIDA)
) SS.
COUNTY OF PALM BEACH)

I, _____, a Notary Public of the State of Florida and the County of Palm Beach, do certify that on the date below before me in said County personally appeared Walter S. Zorkers, to me known and known to me to be the person whose name is subscribed to the above instrument, who, being by me first duly sworn, did depose, acknowledge and say that: He resides in Palm Beach County, Florida; he is Senior Vice President of the Corporation described in and which executed said instrument; he is fully informed of the contents of the instrument; he knows the seal of said Corporation; the seal affixed to said instrument is such seal; it was so affixed by authority of the Board of Directors of said Corporation; he signed his name thereto for said Corporation pursuant to such authority; and instrument is the free act and deed of said Corporation; and the conveyance herein is not part of a transaction, sale, lease, exchange or other transfer or conveyance of all or substantially all of the property and/or assets of the Grantor.

IN WITNESS WHEREOF, I hereunto set my hand and official seal, this ____ day of March, 2002.

(SEAL)

Notary Public, State of Florida

Cross Reference to: Deed Book _____, Page _____
Muscookee County, Georgia records

AFTER RECORDING,
RETURN TO:

Mr. Glen Kendrick
Georgia Dept. of
Transportation
No. 2 Capitol Square
Atlanta, GA 30334

QUITCLAIM DEED

THIS QUITCLAIM DEED, made this ____ day of March, 2002, between SOUTH CAROLINA CENTRAL RAILROAD COMPANY, INC., a South Carolina corporation, successor in interest to South Carolina Central Railroad Company, Inc., whose mailing address for the purpose of this document is 4040 Broadway, Suite 200, San Antonio, Texas 78209, hereinafter called "Grantor", and GEORGIA DEPARTMENT OF TRANSPORTATION, an agency of the State of Georgia, hereinafter called "Grantee";

(Wherever used herein, the terms "Grantor" and "Grantee" may be construed in the singular or plural as the context may require or admit, and for purposes of exceptions, reservations and/or covenants, shall include the successors and assigns of corporations).

Grantor, for and in consideration of the sum of TEN DOLLARS AND NO/100 U.S. DOLLARS (\$10.00), and other valuable consideration, the receipt of which is hereby acknowledged, does hereby RELEASE, REMISE and forever QUITCLAIM to Grantee all of its right, title and interest in and to those certain eight (8) tracts or parcels of land, situate, lying and being north of 4th Street, east of Eighth Avenue. South of 9th Street, and west of Tenth Avenue, in the former "City Commons" lands, in Columbus, Muscookee County, Georgia, hereinafter designated "the Premises", and more particularly described in Exhibit A, attached hereto and incorporated herein, and shown for reference hachured on Exhibit B, attached hereto and incorporated herein, and containing in all 11.14 acres, more or less.

Being the same right of way and real property conveyed to South Carolina Central Railroad Company, Inc. (Grantor's predecessor through merger) by Quitclaim Deed dated June 5, 1989 from CSX Transportation, Inc., which deed was filed in the Public Records of Muskogee County, Georgia in Deed Book 3185, Page(s) 228-234;

TOGETHER WITH all buildings, structures and improvements thereon, including any and all ballast, tracks, rails, ties, switches, crossings, bridges, trestles, culverts, signals, crossing protection devices, radio antennae, communication lines, poles and loading platforms affixed as of the date of this deed to the Premises, and all and singular the rights, alleys, ways, waters, privileges, hereditaments and appurtenances to said Premises belonging or in any way incident or appertaining, including rights to cross any streets adjacent to or connecting parcels herein conveyed (the "Appurtenances").

EXCEPTING AND RESERVING unto Grantor an exclusive, perpetual, assignable railroad freight easement over and across the Premises for the purpose of providing common carrier rail freight service to all freight customers requiring service over the length of the Premises.

GRANTOR'S RIGHTS IN AND TO THE PREMISES AND THE APPURTENANCES ARE CONVEYED HEREIN TO GRANTEE ON AN "AS IS, WHERE IS" BASIS WITHOUT ANY WARRANTIES OR REPRESENTATIONS OF ANY KIND OR NATURE WHATSOEVER, EXPRESS OR IMPLIED, CONCERNING THE CONDITION OF THE PREMISES AND THE APPURTENANCES. GRANTEE HEREBY SPECIFICALLY WAIVES ANY IMPLIED WARRANTIES (IF ANY) PROVIDED FOR BY LAW, INCLUDING, WITHOUT LIMITATION, ANY AND ALL WARRANTIES AGAINST VICES OR DEFECTS OR WARRANTIES REGARDING FITNESS FOR ANY PARTICULAR USE OR PURPOSE WHATSOEVER.

TO HAVE AND TO HOLD the Premises, and all the estate, right, title, lien, interest and claim whatsoever of Grantor therein, so that neither the Grantor nor its successors or assigns nor any other persons claiming under Grantor shall at any time claim or demand any right, title or interest to said Premises or Appurtenances.

IN WITNESS WHEREOF, Grantor, pursuant to due corporate authority, has caused its name to be signed hereto by its officers hereunto duly authorized and its corporate seal, duly attested, to be hereunto affixed.

SIGNED, SEALED and DELIVERED
in the presence of:

**SOUTH CAROLINA CENTRAL RAILROAD
COMPANY, INC.**

Unofficial Witness

By: _____
Walter S. Zorkers

Title: Senior Vice President

ATTEST:

Unofficial Witness

(SEAL)

By: _____
Donald D. Redfearn

Title: Secretary

(corporate seal)

STATE OF FLORIDA)
) SS.
COUNTY OF PALM BEACH)

I, _____, a Notary Public of the State of Florida and the County of Palm Beach, do certify that on the date below before me in said County personally appeared Walter S. Zorkers, to me known and known to me to be the person whose name is subscribed to the above instrument, who, being by me first duly sworn, did depose, acknowledge and say that: He resides in Palm Beach County, Florida; he is Senior Vice President of the Corporation described in and which executed said instrument; he is fully informed of the contents of the instrument; he knows the seal of said Corporation; the seal affixed to said instrument is such seal; it was so affixed by authority of the Board of Directors of said Corporation; he signed his name thereto for said Corporation pursuant to such authority; and instrument is the free act and deed of said Corporation; and the conveyance herein is not part of a transaction, sale, lease, exchange or other transfer or conveyance of all or substantially all of the property and/or assets of the Grantor.

IN WITNESS WHEREOF, I hereunto set my hand and official seal, this ____ day of March, 2002.

(SEAL)

Notary Public, State of Florida

EXHIBIT A

Parcel Nos. 1 thru 8 as described in Deed Book 3185, Pages 230-234 in the Muskogee County, Georgia land records.

Cross Reference to: Deed Book ___, Page ___
Muscogee County, Georgia records

AFTER RECORDING,
RETURN TO:

Mr. Glen Kendrick
Georgia Dept. of
Transportation
No. 2 Capitol Square
Atlanta, GA 30334

QUITCLAIM DEED

THIS QUITCLAIM DEED, made this ___ day of March, 2002, between SOUTH CAROLINA CENTRAL RAILROAD COMPANY, INC., a South Carolina corporation, whose mailing address for the purpose of this document is 4040 Broadway, Suite 200, San Antonio, Texas 78209, hereinafter called "Grantor", and GEORGIA DEPARTMENT OF TRANSPORTATION, an agency of the State of Georgia, hereinafter called "Grantee";

(Wherever used herein, the terms "Grantor" and "Grantee" may be construed in the singular or plural as the context may require or admit, and for purposes of exceptions, reservations and/or covenants, shall include the successors and assigns of corporations).

Grantor, for and in consideration of the sum of TEN DOLLARS AND NO/100 U.S. DOLLARS (\$10.00), and other valuable consideration, the receipt of which is hereby acknowledged, does hereby RELEASE, REMISE and forever QUITCLAIM to Grantee all of its right, title and interest in and to all of that 1.3 mile, more or less, line of railroad, known as the "Dummy Line", hereinafter referred to as the "Premises", which shall include any and all right of way, real property, buildings, structures, improvements, ballast, tracks, ties, switches, crossings, bridges, trestles, culverts, signal crossing protection devices, radio antennae, communications lines, poles and loading platforms affixed thereto as of the date of this deed. Being generally described as; Beginning track chaining station 107+35, the

common ownership division point located in a single track, near the intersection of 8th Street and Eight Avenue, then running in a westerly direction in 6th Street, from Eighth Avenue to Front Street, then curving and running in a northerly direction eventually running in Short and Bay Streets, ending at track chaining station 24+97, between 10th and 9th Streets; and generally depicted on the drawing marked Exhibit "A", attached hereto and made a part hereof, but more specifically indicated on the Seaboard Air Line Railway Company, Columbus Branch, Station Map Nos. S-1a, S-1b and S-1c, attached hereto as Exhibits "A-1", "A-2" and "A-3".

Being the same right of way and real property conveyed to South Carolina Central Railroad Company, Inc. by Quitclaim Deed dated July 8, 1991 from Georgia Power Company, as confirmed by a Replacement Quitclaim Deed dated December 17th, 2001, which replacement deed was filed in the Public Records of Muskogee County, Georgia in Deed Book 6169, Page(s) 93;

TOGETHER WITH all buildings, structures and improvements thereon, including any and all ballast, tracks, rails, ties, switches, crossings, bridges, trestles, culverts, signals, crossing protection devices, radio antennae, communication lines, poles and loading platforms affixed as of the date of this deed to the Premises, and all and singular the rights, alleys, ways, waters, privileges, hereditaments and appurtenances to said Premises belonging or in any way incident or appertaining, including rights to cross any streets adjacent to or connecting parcels herein conveyed (the "Appurtenances").

EXCEPTING AND RESERVING unto Grantor an exclusive, perpetual, assignable railroad freight easement over and across the Premises for the purpose of providing common carrier rail freight service to all freight customers requiring service over the length of the Premises.

GRANTOR'S RIGHTS IN AND TO THE PREMISES AND THE APPURTENANCES ARE CONVEYED HEREIN TO GRANTEE ON AN "AS IS, WHERE IS" BASIS WITHOUT ANY WARRANTIES OR REPRESENTATIONS OF ANY KIND OR NATURE WHATSOEVER, EXPRESS OR IMPLIED, CONCERNING THE CONDITION OF THE PREMISES AND THE APPURTENANCES. GRANTEE HEREBY SPECIFICALLY WAIVES ANY IMPLIED WARRANTIES (IF ANY) PROVIDED FOR BY LAW, INCLUDING, WITHOUT LIMITATION, ANY AND ALL WARRANTIES AGAINST VICES OR DEFECTS OR WARRANTIES REGARDING FITNESS FOR ANY PARTICULAR USE OR PURPOSE WHATSOEVER.

TO HAVE AND TO HOLD the Premises, and all the estate, right, title, lien, interest and claim whatsoever of Grantor therein, so that neither the Grantor nor its successors or assigns nor any other persons claiming under Grantor shall at any time claim or demand any right, title or interest to said Premises or Appurtenances.

IN WITNESS WHEREOF, Grantor, pursuant to due corporate authority, has caused its name to be signed hereto by its officers hereunto duly authorized and its corporate seal, duly attested, to be hereunto affixed.

SIGNED, SEALED and DELIVERED
in the presence of:

**SOUTH CAROLINA CENTRAL RAILROAD
COMPANY, INC.**

Unofficial Witness

By: _____
Walter S. Zorkers

Title: _____
Senior Vice President

Unofficial Witness

ATTEST:

(SEAL)
By: _____
Donald D. Redfearn

Title: Secretary

(corporate seal)

STATE OF FLORIDA)
)
COUNTY OF PALM BEACH) SS.

I, _____, a Notary Public of the State of Florida and the County of Palm Beach, do certify that on the date below before me in said County personally appeared Walter S. Zorkers, to me known and known to me to be the person whose name is subscribed to the above instrument, who, being by me first duly sworn, did depose, acknowledge and say that: He resides in Palm Beach County, Florida; he is Senior Vice President of the Corporation described in and which executed said instrument; he is fully informed of the contents of the instrument; he knows the seal of said Corporation; the seal affixed to said instrument is such seal; it was so affixed by authority of the Board of Directors of said Corporation; he signed his name thereto for said Corporation pursuant to such authority; and instrument is the free act and deed of said Corporation; and the conveyance herein is not part of a transaction, sale, lease, exchange or other transfer or conveyance of all or substantially all of the property and/or assets of the Grantor.

IN WITNESS WHEREOF, I hereunto set my hand and official seal, this ____ day of March, 2002.

(SEAL)

Notary Public, State of Florida

Cross Reference to: Deed Book _____, Page _____
Randolph County, Georgia records

AFTER RECORDING,
RETURN TO:

Mr. Glen Kendrick
Georgia Dept. of
Transportation
No. 2 Capitol Square
Atlanta, GA 30334

QUITCLAIM DEED

THIS QUITCLAIM DEED, made this _____ day of March, 2002, between SOUTH CAROLINA CENTRAL RAILROAD COMPANY, INC., a South Carolina corporation, whose mailing address for the purpose of this document is 4040 Broadway, Suite 200, San Antonio, Texas 78209, hereinafter called "Grantor", and GEORGIA DEPARTMENT OF TRANSPORTATION, an agency of the State of Georgia, hereinafter called "Grantee";

(Wherever used herein, the terms "Grantor" and "Grantee" may be construed in the singular or plural as the context may require or admit, and for purposes of exceptions, reservations and/or covenants, shall include the successors and assigns of corporations).

Grantor, for and in consideration of the sum of TEN DOLLARS AND NO/100 U.S. DOLLARS (\$10.00), and other valuable consideration, the receipt of which is hereby acknowledged, does hereby RELEASE, REMISE and forever QUITCLAIM to Grantee all of its right, title and interest in and to:

All of that 16.26 mile right-of-way and real property situated, lying and being in Randolph County, Georgia, between a point north of Cuthbert, Georgia (Rail Mile Post SLC 160.00, Valuation Station 8385+15 and the Randolph/Calhoun County Line (Rail Mile Post SLC 143.74, Valuation Station 7541+75;

hereinafter designated "the Premises"; all in Randolph County, Georgia, and all as shown generally in yellow on Railroad Valuation Section Maps V8GA/L-1, Sheets 18 through 22, inclusive, which maps are attached hereto and made a part hereof as Exhibits "A-1", "A-2", "A-3", "A-4" and "A-5";

Being the same right of way and real property conveyed to Grantor by Quitclaim Deed dated July 1, 1995 from RailTex, Inc., which deed was filed in the Public Records of Randolph County, Georgia on September 5, 1995, in Deed Book SS 5, Page(s) 115-126 (hereinafter "Prior Deed");

ALONG with that certain Non-exclusive Revertible Track Easement referred to in the Prior Deed.

LESS AND EXCEPTING that certain property conveyed by Grantor to CSX Transportation, Inc. by Quitclaim Deed dated November 27, 1995, which deed was filed in the Public Records of Randolph County, Georgia on March 15, 1996, in Deed Book WW 5, Pages 107 - 112.

TOGETHER WITH all buildings, structures and improvements thereon, including any and all ballast, tracks, rails, ties, switches, crossings, bridges, trestles, culverts, signals, crossing protection devices, radio antennae, communication lines, poles and loading platforms affixed as of the date of this deed to the Premises, and all and singular the rights, alleys, ways, waters, privileges, hereditaments and appurtenances to said Premises belonging or in any way incident or appertaining, including rights to cross any streets adjacent to or connecting parcels herein conveyed (the "Appurtenances").

EXCEPTING AND RESERVING unto Grantor an exclusive, perpetual, assignable railroad freight easement over and across the Premises for the purpose of providing common carrier rail freight service to all freight customers requiring service over the length of the Premises.

GRANTOR'S RIGHTS IN AND TO THE PREMISES AND THE APPURTENANCES ARE CONVEYED HEREIN TO GRANTEE ON AN "AS IS, WHERE IS" BASIS WITHOUT ANY WARRANTIES OR REPRESENTATIONS OF ANY KIND OR NATURE WHATSOEVER, EXPRESS OR IMPLIED, CONCERNING THE CONDITION OF THE PREMISES AND THE APPURTENANCES. GRANTEE HEREBY SPECIFICALLY WAIVES ANY IMPLIED WARRANTIES (IF ANY) PROVIDED FOR BY LAW, INCLUDING, WITHOUT LIMITATION, ANY AND ALL WARRANTIES AGAINST VICES OR DEFECTS OR WARRANTIES REGARDING FITNESS FOR ANY PARTICULAR USE OR PURPOSE WHATSOEVER.

TO HAVE AND TO HOLD the Premises, and all the estate, right, title, lien, interest and claim whatsoever of Grantor therein, so that neither the Grantor nor its successors or assigns nor any other persons claiming under Grantor shall at any time claim or demand any right, title or interest to said Premises or Appurtenances.

IN WITNESS WHEREOF, Grantor, pursuant to due corporate authority, has caused its name to be signed hereto by its officers hereunto duly authorized and its corporate seal, duly attested, to be hereunto affixed.

SIGNED, SEALED and DELIVERED
in the presence of:

**SOUTH CAROLINA CENTRAL RAILROAD
COMPANY, INC.**

Unofficial Witness

By: _____
Walter S. Zorkers
Senior Vice President

Unofficial Witness

ATTEST:

(SEAL)

By: _____
Donald D. Redfearn
Secretary

(Corporate seal)

STATE OF FLORIDA)
) SS.
COUNTY OF PALM BEACH)

I, _____, a Notary Public of the State of Florida and the County of Palm Beach, do certify that on the date below before me in said County personally appeared Walter S. Zorkers, to me known and known to me to be the person whose name is subscribed to the above instrument, who, being by me first duly sworn, did depose, acknowledge and say that: He resides in Palm Beach County, Florida; he is Senior Vice President of the Corporation described herein and which executed said instrument; he is fully informed of the contents of the instrument; he knows the seal of said Corporation; the seal affixed to said instrument is such seal; it was so affixed by authority of the Board of Directors of said Corporation; he signed his name thereto for said Corporation pursuant to such authority; and instrument is the free act and deed of said Corporation; and the conveyance herein is not part of a transaction, sale, lease, exchange or other transfer or conveyance of all or substantially all of the property and/or assets of the Grantor.

IN WITNESS WHEREOF, I hereunto set my hand and official seal, this ____ day of March, 2002.

(SEAL)

Notary Public, State of Florida

Cross Reference to: Deed Book _____, Page _____
Terrell County, Georgia records

AFTER RECORDING,
RETURN TO:

Mr. Glen Kendrick
Georgia Dept. of
Transportation
No. 2 Capitol Square
Atlanta, GA 30334

QUITCLAIM DEED

THIS QUITCLAIM DEED, made this _____ day of March, 2002, between SOUTH CAROLINA CENTRAL RAILROAD COMPANY, INC., a South Carolina corporation, whose mailing address for the purpose of this document is 4040 Broadway, Suite 200, San Antonio, Texas 78209, hereinafter called "Grantor", and GEORGIA DEPARTMENT OF TRANSPORTATION, an agency of the State of Georgia, hereinafter called "Grantee";

(Wherever used herein, the terms "Grantor" and "Grantee" may be construed in the singular or plural as the context may require or admit, and for purposes of exceptions, reservations and/or covenants, shall include the successors and assigns of corporations).

Grantor, for and in consideration of the sum of TEN DOLLARS AND NO/100 U.S. DOLLARS (\$10.00), and other valuable consideration, the receipt of which is hereby acknowledged, does hereby RELEASE, REMISE and forever QUITCLAIM to Grantee all of its right, title and interest in and to:

All of that 9.33 mile right-of-way and real property situate, lying and being between Sasser, Georgia (Rail Mile Post SLB-72.88, Valuation Station 3828+21.9) and Dawson, Terrell County, Georgia (Rail Mile Post SLB-63.55, Valuation Station 3335+60);

Hereinafter designated "the Premises"; all in Terrell County, Georgia, and all as shown generally in yellow on Railroad Valuation Section Maps V2-GA/L-17, Sheets 17 - 19, inclusive, and which maps are attached hereto and made a part hereof as Exhibits "A-1", "A-2" and "A-3";

Being the same right of way and real property conveyed to Grantor by Quitclaim Deed dated July 1, 1995 from RailTex, Inc., which deed was filed in the Public Records of Terrell County, Georgia on September 15, 1995, in Deed Book 4-Q, Page 258,

LESS AND EXCEPTING that property conveyed by Grantor to Rails to Trails Conservancy by Quitclaim Deed dated October 14, 1997, which deed was filed in the Public Records of Terrell County, Georgia on October 16, 1997 in Deed Book 5-C, Pages 614-626.

TOGETHER WITH all buildings, structures and improvements thereon, including any and all ballast, tracks, rails, ties, switches, crossings, bridges, trestles, culverts, signals, crossing protection devices, radio antennae, communication lines, poles and loading platforms affixed as of the date of this deed to the Premises, and all and singular the rights, alleys, ways, waters, privileges, hereditaments and appurtenances to said Premises belonging or in any way incident or appertaining, including rights to cross any streets adjacent to or connecting parcels herein conveyed (the "Appurtenances").

EXCEPTING AND RESERVING unto Grantor an exclusive, perpetual, assignable railroad freight easement over and across the Premises for the purpose of providing common carrier rail freight service to all freight customers requiring service over the length of the Premises.

PREMISES AND THE APPURTENANCES ARE CONVEYED HEREIN TO GRANTEE ON AN "AS IS, WHERE IS" BASIS WITHOUT ANY WARRANTIES OR REPRESENTATIONS OF ANY KIND OR NATURE WHATSOEVER, EXPRESS OR IMPLIED, CONCERNING THE CONDITION OF THE PREMISES AND THE APPURTENANCES. GRANTEE HEREBY SPECIFICALLY WAIVES ANY IMPLIED WARRANTIES (IF ANY) PROVIDED FOR BY LAW, INCLUDING, WITHOUT LIMITATION, ANY AND ALL WARRANTIES AGAINST VICES OR DEFECTS OR WARRANTIES REGARDING FITNESS FOR ANY PARTICULAR USE OR PURPOSE WHATSOEVER.

TO HAVE AND TO HOLD the Premises, and all the estate, right, title, lien, interest and claim whatsoever of Grantor therein, so that neither the Grantor nor its successors or assigns nor any other persons claiming under Grantor shall at any time claim or demand any right, title or interest to said Premises or Appurtenances.

IN WITNESS WHEREOF, Grantor, pursuant to due corporate authority, has caused its name to be signed hereto by its officers hereunto duly authorized and its corporate seal, duly attested, to be hereunto affixed.

SIGNED, SEALED and DELIVERED
in the presence of:

**SOUTH CAROLINA CENTRAL RAILROAD
COMPANY, INC.**

Unofficial Witness

By: _____
Walter S. Zorkers
Senior Vice President

Unofficial Witness

ATTEST:

(S E A L)

By: _____
Donald D. Redfearn
Secretary

(corporate seal)

STATE OF FLORIDA)
) SS.
COUNTY OF PALM BEACH)

I, _____, a Notary Public of the State of Florida and the County of Palm Beach, do certify that on the date below before me in said County personally appeared Walter S. Zorkers, to me known and known to me to be the person whose name is subscribed to the above instrument, who, being by me first duly sworn, did depose, acknowledge and say that: He resides in Palm Beach County, Florida; he is Senior Vice President of the Corporation described herein and which executed said instrument; he is fully informed of the contents of the instrument; he knows the seal of said Corporation; the seal affixed to said instrument is such seal; it was so affixed by authority of the Board of Directors of said Corporation; he signed his name thereto for said Corporation pursuant to such authority; and instrument is the free act and deed of said Corporation; and the conveyance herein is not part of a transaction, sale, lease, exchange or other transfer or conveyance of all or substantially all of the property and/or assets of the Grantor.

IN WITNESS WHEREOF, I hereunto set my hand and official seal, this ____ day of March, 2002.

(S E A L)

Notary Public, State of Florida

Georgia Department of Transportation

and

The Georgia Southwestern Railroad, Inc.

Lease Agreement

This Lease Agreement (the "Lease" or "Agreement"), dated this ____ day of ____, 2002, by and between the Georgia Southwestern Railroad, Inc., hereinafter referred to as "Lessee," and the Georgia Department of Transportation, an agency of the State of Georgia, hereinafter referred to as "Lessor" or "Department."

WHEREAS, Lessor has certain rights, title, and interest in and to certain real property located in Muscogee, Chattahoochee, Randolph, Terrell, Calhoun, Early, Miller, and Decatur Counties, Georgia, which property is used for railroad freight transportation service to the public;

WHEREAS, under Section 32-9-2 of the Official Code of Georgia Annotated, the Department is authorized to participate in such an undertaking.

WHEREAS, Lessor is agreeable to lease to Lessee the aforesaid interests for Lessee's provision of railroad freight transportation service to the public upon the terms and conditions herein contained.

NOW, THEREFORE, in consideration of the covenants and payments set forth herein, the parties agree as follows:

SECTION 1. Leased Property.

1.01 The Leased Property consists of Lessor's real property described as follows:

All of the 101.27-mile right-of-way and real property situated, lying and being:
(1) between Milepost SLB 0.38 near Columbus, GA and Milepost SLB 23 near Cusseta, GA; (2) between Valuation Station 41+60 and Valuation Station 107+35 near Columbus GA; (3) between Valuation Station 0+00 and Valuation Station 41+61 near Columbus, GA; (4) between Milepost SLC 91.68 near Bainbridge, GA and Milepost SLC 160.0 near Cuthbert, GA; (5) between Milepost 63.55 near Dawson, GA and Milepost 72.88 near Sasser, GA,

and more particularly described in ATTACHMENT I hereto, which is incorporated herein by reference, and all improvements or fixtures affixed thereto, including, without limitation, tracks, rails, ties, ballast, other track materials, switches, crossings, bridges, bridge abutments, culverts, buildings, crossing warning devices, communications lines and poles and radio masts, all being located within the State of Georgia (the "Leased Property"), and specifically excluding all items of personal property not affixed to the land, including, without limitation, railroad rolling stock, locomotives, motor vehicles and equipment, machinery, office and computer equipment, radios, furniture, tools, inventories, materials, and supplies.

1.02 Lessee shall take the Leased Property subject to: (a) reservations or exceptions of record of minerals or mineral rights; public utility easements and easements and rights of ways, howsoever created, for crossings, roads, streets, and highways; (b) existing and future building, zoning, subdivisions and other applicable federal, state, county, municipal and local laws, ordinances and regulations; (c) encroachments or other conditions that may be revealed by a survey, title search or inspection of the Leased Property; (d) all existing ways, alleys, party walls, privileges, rights, appurtenances, and servitudes, however created; (e) the Lessor's exclusive right to grant any and all easements, leases, licenses or rights of occupancy in, on,

under, through, above, across or along the Leased Property, or any portion of it, for the purposes of construction, erection, installation, operations, use, maintenance, repair, replacement, relocation, reconstruction, reinstallation, and renewal of transportation specifically including transportation of passengers by rail, and transmission systems for all types of fluids, solid materials, gases, energy, communication or commerce by whatever means, including without limitation, track, highway, roadway, pipeline, telephone, microwave, radio, radar, laser transmission, wire, fiber-optic, utility pole and all conduits or other similar devices, together with all related supporting devices, appliances, fixtures and appurtenances, and all culverts, ramps and cuts, which may be constructed, erected, installed, operated or used in, on, under, through, above, across, or along the Leased Property, or any portion of it; provided, however, that the rights herein excepted and reserved by Lessor shall not be used to grant any other party the right to conduct common or contract carrier freight railroad operations on the Leased Property, or any portion of it.

Section 2. Terms and Conditions.

2.01 The term of this Agreement shall commence as of the date first written above (the "Commencement Date") and shall be for an initial term of twenty (20) years subject to renewal at 5, 10, and 15 years. Renewal will be automatic unless either party gives the other party hereto notice of intent not to renew no fewer than six (6) months prior to the end of the term or unless the Lease is sooner terminated as hereinafter provided.

2.02 Termination by Election – Lessor and Lessee shall not have the right to terminate the Lease by election.

2.03 Termination by Breach – In the event Lessee breaches any of the material terms and conditions of this Lease and Lessee ceases to provide rail service on the Leased Property by embargo, abandonment or otherwise, Lessor shall give written

notice of that fact in accordance with Section 20. If within five (5) days of receipt of such notice, Lessee has not cured such breach, or if Lessee has not taken all reasonable steps toward affecting such cure, and Lessee has not reinstated rail service, then Lessor shall have the right, but not the obligation, to take possession of the Leased Property and this Agreement will terminate.

2.04 It is the understanding and agreement of the parties hereto that this is a net lease; and that, as between the parties hereto, irrespective of law or custom, Lessee shall have and hereby assumes all duties and obligations with relation to the use, repair, maintenance, existence, and operation of the Leased Property for Lessee's purposes, including all improvements and fixtures hereafter located thereon, except matters, responsibilities and obligations assumed by Lessor as provided for in this agreement. Lessee shall forever protect, indemnify and hold harmless Lessor from and against any expense, cost, liability, or obligation whatsoever, which arises from or is connected with the Leased Property during the term of this Lease, including all improvements or fixtures hereafter located thereon, except those duties, matters, responsibilities and obligations expressly assumed by Lessor in this Lease, or caused solely by Lessor's willful or negligent act or omission during the term of this Lease. Lessee shall be responsible for any taxes, which can be attributed to any of the reserved interests of Lessor, including by not limited to those reserved under Paragraph 1.02(e).

2.05 Lessee agrees to obtain and hold operating authority as required by the Surface Transportation Board or any other governmental or regulatory authority for the Leased Property and will provide rail freight service to all parties seeking to ship or receive freight over the Leased Property during the term of this Lease.

Section 3. Rental.

3.01 Lessee shall pay annually to Lessor a base annual rental equal to \$30,000.00 (Thirty thousand and No/100 Dollars). After the first year, the base annual rental will escalate four percent (4%) each year thereafter for the Leased Property. Said annual base rental shall be payable by Lessee to Lessor by January 31 of each calendar year, with the first payment due January 1, 2003.

3.02 Lessee shall also pay additional rent annually to Lessor equal to ten percent (10%) of the gross revenue in excess of \$1,300,000.00 (One million three hundred thousand and No/100 dollars) received by Lessee from operation of the Leased Property. The additional annual rental due under this section will be determined by an annual revenue report for the operation of the Leased Property submitted by Lessee to Lessor, certified as to accuracy by the chief financial officer of the Lessee. The certified annual revenue report shall be submitted no later than 60 days after the end of the calendar year. Upon receipt of the annual revenue report, Lessor will notify Lessee in writing of its acceptance of the annual revenue report and payment will be due no later than thirty (30) days after receipt of written acceptance.

3.03 Rentals paid by Lessee to Lessor pursuant to Sections 3.01 and 3.02 will be deposited by Lessor into a Rehabilitation and Maintenance Account created and administered by Lessor (the "R&M Account"). The R&M Account will be used for capital expenditures specified in the rehabilitation or cycle maintenance program established in accordance with Section 10.03 hereof.

Section 4. Business Development Plan.

4.01 Lessee will produce a plan to develop business to utilize railroad service provided over the Leased Property; utilizing the Lessor, Georgia Department of Industry, Trade and Tourism, Regional Development Centers, County and Municipal

governments, Economic Development Authorities, local Chambers of Commerce, and existing and potential businesses in the area served by the Leased Property to develop and implement the Business Development Plan.

Section 5. Utilities.

5.01 Lessee, at no cost or expense to Lessor, shall arrange for, obtain and pay all bills, charges and assessments in connection with any heat, water, electricity, sewer and other utility services required for Lessee's use of the Leased Property.

Section 6. Third Party Agreement, Easements and Licenses.

6.01 Lessee will assume, agree to perform and be bound by all the terms, conditions and obligations of third party agreements, easements and licenses, which may be in existence now and in the future. Lessor agrees to make available copies of such agreements, easements and licenses to Lessee.

6.02 Lessor will retain the right to enter into and terminate agreements, easements and licenses with third parties.

6.03 Lessee will not have the right to enter into or terminate third party agreements, easements and licenses.

Section 7. Road Crossing and Warning Device Maintenance.

7.01 Lessee shall be responsible for any necessary maintenance of public grade crossings, grade separation structures and warning devices to permit the safe and

convenient passage of public traffic in accordance with Sections 32-6-197(c) and 32-6-190 of the Official Code of Georgia Annotated.

Section 8. Interchange Agreement.

8.01 If required, Lessee will execute an interchange agreement with the appropriate connecting railroad(s), which shall govern the interchange of traffic between the parties during the term of the Lease. Lessee will provide Lessor with a copy of the executed Interchange Agreement.

Section 9. Use.

9.01 Lessee will use the Leased Property only for railroad purposes and purposes ancillary thereto, unless Lessee obtains the written consent of Lessor to use the Leased Property or any portion of it for any other purposes.

9.02 The management and operation of the Leased Property shall comply with the provisions of the Federal Safety Appliance Act, as amended, and any other federal, state, and local laws, ordinances, regulations, and rules and any other requirements, whether or not governmental, respecting the operation, condition, inspection and safety of trains, locomotives, cars and equipment while such trains, locomotives, cars and equipment are being operated on the Leased Property.

Section 10. Maintenance and Rehabilitation.

10.01 Lessee agrees that it will at all times during the continuance of the Lease keep and maintain all buildings, structures and appurtenances of the Leased Property,

including facilities added to the property in a reasonably safe condition for the use intended.

10.02 The Lessee agrees that the track facilities of the Leased Property will be maintained to FRA Class 2 Track Standards. Routine maintenance of the Leased Property necessary to maintain the appropriate FRA Track Standards will be at the sole cost and expense of the Lessee. Routine maintenance in this part means weekly track inspections, annual weed/brush control and any spot tie replacement, adjustment, joint tightening/adjustment, signal maintenance, grade crossing repair and other routine track maintenance required to maintain an FRA Class 1 or FRA Class 2 track.

10.03 Lessor and Lessee will mutually establish a Rehabilitation or Cycle Maintenance Program for the Leased Property to be financed from funds accumulated in the Rehabilitation and Maintenance (R&M) Account described in Section 3.01. Lessee shall comply with the Rehabilitation or Cycle Maintenance Program; provided, however, that Lessee's obligation under this provision of the Lease will be limited to those funds that are available in the R&M Account under Section 3.03 hereof.

10.04 Lessee will provide written quarterly reports to Lessor detailing all maintenance work activities occurring during the period.

Section 11. Inspection.

11.01 The Lessee shall allow inspection of the Leased Property by representatives of the Lessor upon request at any time.

Section 12. Traffic Reports.

12.01 Lessee shall provide Lessor with a quarterly statement of traffic originating and terminating on the rail line. The statements shall contain the following information: month, number of car loads originated, number of car loads terminated, standard commodity code for each carload, description of commodity, origins and destinations

Section 13. No Warranties of Covenants.

13.01 Lessee accepts the Leased Property "AS IS, WHERE IS" with all faults and defects in its condition as of the date of this Lease. Lessee acknowledges that Lessor has made and will make no representations, warranties, guarantees, statements or information, express or implied, pertaining to the Leased Property, the condition of it, or its merchantability or suitability for any use or purpose whatsoever, other than as may be explicitly set forth herein. If a pre-existing hazardous waste or material is discovered, the Lessor will use its right of recourse, as prescribed by Federal Law, against the former owners to remedy the condition and resolve claims.

Section 14. Assignment.

14.01 This Agreement may be assigned by Lessee only with the written consent of Lessor, signed by an authorized official. To obtain Lessor's consent to such an assignment, Lessee will provide written notice to Lessor of its desire to assign this Agreement, including a letter signed by an authorized officer of the intended assignee stating that the assignee agrees to such assignment and agrees to be bound by all the terms of such assignment and the approvals and evidences required by this Agreement. This Agreement will be binding upon and inure to the benefit of successors and assigns of Lessor and successors and permitted assigns of Lessee.

Section 15. Liability.

15.01 Lessee hereby acknowledges that all activities arising out of or in any way connected with the use of the Leased Property are solely for its benefit and Lessee hereby releases Lessor, its successors and assigns, officers, agents, and employees from all liability, whether arising from suits, actions, causes of action, claims or demands of any character whatsoever.

15.02 Lessee shall indemnify, protect and hold harmless Lessor, its successors and assigns, its officers, agents and employees, from and against all liability, cost, claims, suits, causes, causes of action, judgements or any expense whatsoever for any personal injury or property damage, however and to whomever caused, arising out of or in connection with the use of the Leased Property by anyone other than Lessor during the term of the Lease; provided, however, in case of conflict with the liability provisions of the interchange agreement, the provisions of the interchange agreement shall control; provided, however, that Lessee's indemnity obligations under this Section 15.02 and Sections 16 and 26 hereof will be limited as follows: (i) with respect to personal injury liability, to the limitations applicable to Lessor pursuant to the provisions of the Georgia Tort Claims Act, O.C.G.A. 50-21-20, et seq., and (ii) with respect to property liability, to the sum of Five Million dollars (\$5,000,000.00) per occurrence and to such other limitations as are set forth in Sections 16 and 26 hereof.

Section 16. Insurance.

16.01 Lessee, at Lessee's cost and expense, to comply with its indemnity obligations under Section 15.02, shall procure or cause to be procured and maintain or cause to be maintained, during the continuance of this Lease, railroad operating and liability insurance covering liability assumed by Lessee under this Lease with a limit of not less than Five Million Dollars (\$5,000,000.00) for a single limit for personal

injury per occurrence and for a limit of not less than Five Million Dollars (\$5,000,000.00) per occurrence for a single limit for property damage; such limits to be reviewed by Lessor every five (5) years during the term of this Lease or any extensions of it. At five (5) year intervals, Lessor and Lessee shall meet and confer in good faith to determine whether modifications should be made to the insurance requirement. Lessee shall furnish to Lessor certificates of insurance evidencing the above coverage in the form of a policy (or policies) at the time of execution of this Lease. Such insurance shall contain a contractual liability endorsement, which will cover the obligations assumed under this Lease and an endorsement naming Lessor as "additional insured". In addition, such insurance shall contain notification provisions under which the insurance company agrees to give thirty (30) days' written notice to the Lessor of any change in or cancellation of the policy. These endorsements and notice provisions shall be stated on the certificate of insurance provided to Lessor.

Section 17. STB Approvals.

17.01 Prior to initiation of rail freight service as specified in Section 2.05, Lessee hereby warrants and represents to Lessor that Lessee has applied or will apply to the Surface Transportation Board (STB) and to all other appropriate governmental or regulatory authorities for all necessary orders approving or authorizing Lessee to enter into this Lease and to conduct railroad operations on the Leased Property according to the terms and provisions hereof, or exempting Lessee from the requirement of obtaining such approval and authorization. The parties understand and agree that the entry of an order of the STB approving and authorizing or exempting this transaction and the railroad operations of Lessee according to the terms and conditions hereof is a condition precedent to the obligations of either party hereunder.

17.02 Lessee will not seek authority to abandon or discontinue rail service from the Surface Transportation Board or other governmental or regulatory authority without the prior written approval of the Lessor.

Section 18. Termination.

18.01 Lessee, upon termination of this Lease, shall have six (6) months to remove all improvements placed by it on the Leased Property. If Lessee fails to so remove within the time allotted, Lessor may remove any remaining improvements at Lessee's sole cost and expense and Lessor shall retain any salvage proceeds received by it.

18.02 Termination of the Lease shall not release any party hereto from any obligation under this Lease arising prior to said termination.

Section 19. Taxes and Assessment.

19.01 It is understood and agreed that the Leased Property will be used by the Lessee in its rail operations and will be a part of Lessee's operation property. Lessee shall pay all taxes and assessments, general, special or otherwise, which may be levied, assessed or imposed upon the Leased Property and attributed to the Lease term. Lessee shall report and file all returns as required by state or federal law for its use of the Leased Property. Lessee shall pay such taxes and assessments directly to the taxing authorities on or before the date due and, upon Lessor's request, shall produce tax receipts to Lessor within twenty (20) days after payment thereof; provided, however, that nothing herein shall require Lessee to make any such payments so long as Lessee, in good faith and by appropriate proceeding, contests its obligation to do so and a reserve, as required by generally accepted accounting principles, is made therefore. If for any such taxes or assessments are charged, billed or in any fashion imposed on Lessor, Lessee shall pay Lessor for such taxes or

assessments within twenty (20) days after Lessor renders the bill to Lessee. Lessor shall apply all such amounts received from Lessee to the taxes or assessments due.

Section 20. Notices.

20.01 All notices given under this Lease shall be in writing and sent by express, registered, or certified mail, postage prepaid, to the parties at the respective addresses set forth below, or such other addresses as may be specified by written notice and delivered in accordance herewith, and all such notices shall be deemed so delivered when deposited in the United States Mail.

If to the Lessor:

Georgia Department of Transportation
Office of Intermodal Programs
276 Memorial Drive, West Annex
Atlanta, Georgia 30303

If to the Lessee:

The Georgia Southwestern Railroad, Inc.
P.O. Box 69
Smithville, Georgia 31787

Section 21. Events Constituting Default

21.01 Any of the following events shall constitute a default hereunder:

- (a) The non-payment by Lessee of rental by January 31 of each calendar year as specified in Section 3

- (b) The non-performance by Lessee of any other material term, covenant or condition of this Lease which is not cured within thirty (30) days after written notice of it from Lessor.
- (c) Any affirmative act of insolvency by Lessee, or the filing by Lessee of any petition under any bankruptcy, reorganization, insolvency, or moratorium law, or any law for the relief of, or relating to, debtors.
- (d) The filing of any involuntary petition under any bankruptcy statute against Lessee, or the appointment of any receiver or trustee to take possession of the property of the Lessee.
- (e) The suspension or revocation of Lessee's federal, state or local regulatory authority to operate rail freight service on the line.
- (f) Lessee's committing waste or allowing the attachment of any lien on the Leased Property which is not cured within ninety (90) days; provided, however, if Lessee in good faith contests a lien, it shall have such additional time to cure as is reasonable under the circumstances.
- (g) Any notice, petition or application by Lessee to the Surface Transportation board or other governmental or regulatory authority without prior written approval of Lessor; provided, however, that such approval shall be deemed to be given if neither written approval nor disapproval has been received by Lessor within thirty (30) days after notice is provided to Lessor under the provisions of Section 20 hereof.

Section 22. Lessor's Rights on Default

22.01 On the occurrence of any of the events of default listed in Section 21, Lessor may terminate the Lease by written notice to Lessee and, in addition, take any other action or exercise any remedy available to Lessor at law or equity.

Section 23. Obligations of Lessee Upon Termination.

23.01 In case of termination by Lessor pursuant to Section 21, such termination shall be according to the provisions of Sections 2.03 and 18 hereof.

Section 24. Acceptance of Partial Payments.

24.01 In the event Lessee is in default hereunder due to non-performance, acceptance by Lessor of partial payment or performance shall not waive the default. Lessor's right to terminate shall not be prevented except by full performance by Lessee prior to its receiving written notice of termination. This Lease shall not be reinstated after termination except by written agreement with Lessor.

Section 24. Acceptance of Partial Payment.

24.01 In the event Lessee is in default hereunder due to non-performance, acceptance by Lessor of partial payment of performance shall not waive the default. Lessor's right to terminate shall not be prevented except by full performance by Lessee prior to its receiving written notice of termination. This Lease shall not be reinstated after termination except by written agreement with Lessor.

Section 25. Amendment.

25.01 No term of provision of this Lease may be changed, waived, or discharged or terminated except by an instrument in writing signed by both parties hereto.

Section 26. Hazardous Materials.

26.01 At no time during the term of this Lease shall Lessee without the prior written consent of Lessor maintain, treat, dispose of, store or have on the Leased Property, or permit any other party to have, maintain, treat, dispose of, or store on the Leased Property, any material which is classified by federal, state or local authorities as a hazardous material or hazardous waste or which requires a permit for the storage, treatment, disposal, handling or maintenance of it from any government authority. As used herein, "storage" includes the keeping of material within any building on the premises, in the open on the premises, or in a truck or other vehicle (other than a rail car for inbound or outbound movement) on the premises.

26.02 Lessee further agrees to indemnify and hold Lessor harmless from all costs, expenses, liabilities, demands, claims, causes of action at law or in equity whatsoever arising from any treatment, disposal, storage, maintenance or handling of any hazardous material or hazardous waste on the premises, including, but not limited to, the cost of clean-up, environmental damage assessments, defense and reasonable attorney's fees. The parties acknowledge that the inclusion of this indemnification and hold harmless provisions shall in no manner whatsoever evidence a waiver, consent or permission by Lessor for Lessee to violate the provisions of Section 26.01.

26.03 Lessee, at Lessee's cost and expense, to comply with its indemnity obligations under Section 26.02, shall procure or cause to be procured and maintained or cause to be maintained, during the continuance of this Lease, railroad

operating and liability insurance covering liability assumed by Lessee under this Lease with a limit of not less than Five Million dollars (\$5,000,000.00) single limit for personal injury per occurrence and single limit for property Five Million dollars (\$5,000,000.00) damage per occurrence, such limits to be reviewed by Lessor every five (5) years during the term of this Lease or any extensions of it. At five (5) year intervals, Lessor and Lessee shall meet and confer in good faith to determine whether modifications should be made to the insurance requirement. Lessee shall furnish to Lessor certificates of insurance evidencing the above coverage in a policy (or policies) at the time of the execution of this Lease. Such insurance shall contain a contractual liability endorsement which will cover the obligations assumed under this Lease and an endorsement naming the Lessor as "additional insured". In addition, such insurance shall contain notification provisions under which the insurance company agrees to give thirty (30) days' written notice to Lessor of any change in or cancellation of the policy. These endorsements and notice provisions shall be stated on the certificate of insurance, which is provided to Lessor.

Section 27. Rate Surcharges.

27.01 Lessee shall not publish, apply or request a rate surcharge pursuant to 49 U.S.C. 1705a and 49 CFR Part 1140 for any commodity originating or terminating on the Leased Property without the prior written approval of Lessor.

Section 28. Antidiscrimination.

28.01 Lessee shall comply with the regulations for compliance with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d, et seq) and 23 CFR 710.405(b). Failure to fully comply may result in termination of this Lease.

Section 29. Entire Agreement.

29.01 This Lease constitutes the entire agreement between the Lessee and Lessor and no other representation, warranties or agreements, either oral or written will be binding upon the Lessee and Lessor.

Section 30. Governing Law.

30.01 This Lease shall be deemed to have been executed in Fulton County, Georgia, and all questions, interpretations and construction shall be governed by the Laws of the State of Georgia.

Section 31. Compliance With Applicable Laws.

31.01 Lessee shall comply with all statutes, laws, and ordinances of all federal, state and local governments or other governmental authorities, regulatory authorities and commissions, foreseen and unforeseen, ordinary as well as extraordinary, for the entire period of the Lease.

Section 32. Warranty of Signature.

32.01 Lessor warrants to Lessee that the person executing this Lease Agreement for Lessor is fully authorized to sign this Lease for Lessor and to bind Lessor to the terms of this Agreement. Lessee warrants to Lessor that the person executing this Lease Agreement for Lessee is fully authorized to sign this Lease for Lessee and to bind Lessee to the terms of this Agreement.

IN WITNESS WHEREOF, said parties hereto have caused this Lease to be duly executed under seal by their duly authorized representatives.

DEPARTMENT OF TRANSPORTATION

THE GEORGIA SOUTHWESTERN
RAILROAD, INC.

RECOMMENDED:

RECOMMENDED:

Administrator, Intermodal Programs

President, Georgia Southwestern Railroad

State Right-of-Way Administrator

(Corporate Seal)

By:

Commissioner

I attest that the Officer of this Corporation executing this Document does, in fact occupy the official position indicated and is duly authorized to execute such Document on behalf of this Corporation

ATTEST:

ATTEST:

Treasurer

Corporate Secretary

Notary Public

Federal Employer Identification Number:

ATTACHMENT I

Description of Leased Property